

receiving their cash assistance through direct deposit if they are banked or helping them open a bank account if they are unbanked.

The NCFSS also gives social service officials and the banking community information about account features that are most appealing to unbanked lower-income families. The survey found strong interest in the Treasury Department's low-cost electronic transfer account, especially among Work First Families. Many lower-income families in North Carolina rely extensively on inexpensive money orders to pay their bills. Banks might consider bundling money orders with a low risk, low-cost electronic account that accepts direct deposits and provides ATM access but no check writing privileges.

While the majority of Work First families seem to be living within their means, most of them have little or no savings, and this includes those who have recently transitioned off welfare. While those who have received at least some formal financial education feel positive about the experience, only a small fraction of those who could benefit have actually attended any sessions. Because having a good credit rating and money management skills may improve one's chances of successfully moving from cash assistance, the Division of Social Services should consider adding financial education to its Work First program.

North Carolina welfare officials need to find a way of strengthening the money management skills of former clients who no longer receive cash benefits. One way of